

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0069-01
Bill No.: SB 135
Subject: Charities; Cities, Towns & Villages; Counties; Political Subdivisions; Taxation & Revenue-General
Type: Original
Date: February 28, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Blind Pension	\$0	(Unknown)	(Unknown)
Total Estimated Net Effect on Other State Funds	\$0	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue** assume there would be no fiscal impact to their organization.

Although they did not respond to our request for information on this proposal, officials from the **Office of Administration**, in response to a similar proposal in the prior legislative session, assumed there would be no fiscal impact to their organization.

Officials from **Boone County** and the **Bi-state Development Agency** did not respond to our request for information on this proposal.

Officials from the **Cole County Assessor's Office** assume there would be minimal losses to the Cole County Assessor's office. Currently, there is approximately \$50,000-\$100,000 of assessed value personal property in the county that would be exempted by this bill; total loss of revenue to the Assessor's Office would be \$12.50 to \$25.00 (1/2 of 1% of taxes collected).

ASSUMPTION (continued)

Officials from the Cole County Assessor's Office also assume taxes are sometimes paid by the leasing company and sometimes by the lessee, depending on the terms of the lease. If larger numbers of vehicles now on the tax books were to be exempted, or if new vehicles to the county were to be added as exempt properties, this would have a much more substantial and negative effect on the fiscal impact to the Assessor's office, and to the taxing jurisdictions as a whole.

Officials from the **Kansas City Area Transit Authority** assume this proposal would not have a negative impact on the authority.

Officials from the **State Tax Commission** assume there would be no fiscal impact to their organization; however, they estimate there would be a significant but unknown negative impact on local government revenues, particularly in Cole and Boone Counties. They also assume there could be an unknown negative impact on the Blind Pension Fund.

Oversight assumes the first fiscal impact of this proposal would be 2004 property taxes collected in FY 2005.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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BLIND PENSION FUND

<u>Loss</u> - Reduced Property Tax	\$0	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON BLIND PENSION FUND	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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POLITICAL SUBDIVISIONS

<u>Loss</u> - Reduced Property Tax	\$0	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would exempt certain leased personal property from property taxation. Motor vehicles leased for a period of at least one year to this state, or to any city, county or political subdivision; or to any educational, charitable, fraternal, religious, service or veterans' organization which has obtained an exemption from the payment of federal income taxes as provided in the United States Internal Revenue Service Code, as amended, provided such property is actually and regularly used exclusively for religious worship, for schools and colleges, or for purposes purely charitable.

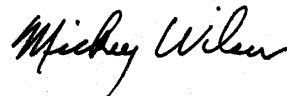
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Revenue
State Tax Commission
Cole County
Kansas City Area Transit Authority

NOT RESPONDING

Office of Administration
Boone County
Bi-state Development Agency



Mickey Wilson, CPA
Director
February 28, 2003